

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 2675 – SB 2758**

February 16, 2010

**SUMMARY OF BILL:** Requires establishments seeking a license for on-premises consumption to submit to the Alcoholic Beverage Commission with their application or renewal application estimated monthly food sales including the percentage of food sales in relation to all sales by the restaurant. Authorizes ABC to require license holders to report food sales more frequently than during standard renewal periods. Prohibits ABC from granting or renewing licenses to any restaurant that fails to submit the required information.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue - Not Significant**

**Increase State Expenditures – \$5,000/One-Time  
\$261,100/Recurring**

**Decrease Local Revenue – Not Significant**

**Increase Local Expenditures – Not Significant**

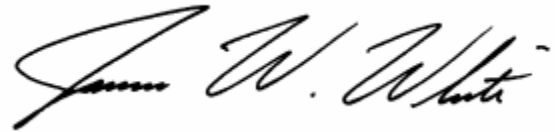
**Assumptions:**

- According to ABC, there are approximately 2,500 restaurants licensed to sell liquor-by-the-drink.
- Restaurants that do not submit food sales will not be issued a new license or renewal and therefore not be required to pay any fees associated with a liquor-by-the-drink license issued by ABC.
- According to ABC, five auditor positions will be required to accept and review daily food sale data for each restaurant. The associated recurring increase to state expenditures is estimated to be \$261,100 (\$177,000 salary; \$60,200 benefits; and \$23,900 other). The associated one-time increase to state expenditures is estimated to be \$5,000 (computer, software, etc.).

- An undetermined number of restaurants will not submit monthly food sales and will be denied a new or renewal license resulting in a not significant decrease in local privilege tax revenue.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive, flowing style.

James W. White, Executive Director

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